

didn't respond (American Family, California State Auto Assn., CNA, GEICO, GMAC, Metropolitan, Progressive, Prudential, and Safeco). Of the ten that did, Allstate, Erie, Farmers, State Farm, and USAA said they recommend but didn't require imitation parts.

Allstate says that if a customer insists on OEM parts, it will pick up the bill. Erie, State Farm, and Travelers make the customer pay the difference.

The Hartford said it doesn't recommend imitations for safety-related parts but does allow them for noncritical applications. And Travelers Insurance doesn't recommend imitations for cars less than two years old or with less than 20,000 miles.

The Interinsurance Exchange of the Automobile Club of Southern California, which writes policies only in Arizona, California, New Mexico, and Texas, calls for imitation parts only for nonmetal trim items like bumper covers and moldings.

#### INSURERS AND CONSUMERS

Many of the insurers maintain that imitation parts keep premiums down, but none provided hard data to prove it.

CAPA and auto insurers have spent the last decade promoting imitation parts as purely pro-consumer. By breaking the automakers' "strangle-hold monopoly" over crash parts, says one recent release from the Alliance of American Insurers, auto insurers protect consumers from high parts prices and high insurance premiums.

"There is absolutely no question the insurance industry is on the side of the angels on this issue," says Gillis.

But there is a question.

Buying imitation parts simply diverts money from the pockets of one big industry—automobile manufacturing—to the pockets of another big industry—auto insurance. The insurers won't earn their wings until they demonstrate that a fair share of the money they save ends up in the pockets of consumers.

And CAPA, whose executive director often accuses automakers and repair shops of having a financial interest in promoting OEM parts, has its own financial interests. Half of its \$3.9 million budget comes from insurance companies (the other half comes from the sale of CAPA seals to parts manufacturers). And six of the nine CAPA board members are insurance-industry executives.

The Center for Auto Safety—whose executive director, Clarence Ditlow, is a CAPA board member and a staunch advocate of CAPA parts—also receives funding from the insurance industry, though to a much lesser extent. In 1998, State Farm and Allstate contributed some \$50,000 to CAS, according to Ditlow. (He says that amounts to only five percent of annual revenues. He also says that CAS' insurance funding has steadily decreased since the mid-1970s.)

Where's the consumer in all this? For now, stuck in a bind between automakers that charge high prices for factory body parts and auto insurers that push less-expensive parts of questionable quality. Until things change, car owners—including used-car buyers who may inherit the inferior crash parts—are being ill served.

## EXTENSIONS OF REMARKS

### CELEBRATING THE 10TH ANNIVERSARY OF VA'S CABINET DESIGNATION

#### HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Mr. FILNER. Mr. Speaker, I rise today to recognize Monday, March 15th as the 10th anniversary of the Department of Veterans Affairs (VA) as a Cabinet-level position.

Because by 1988, VA had become the largest independent agency in government, thought was given to its recognition as a member of the President's Cabinet.

Serving a population of 27.5 million veterans with a budget of \$28.3 billion, with 245,000 employees, it was second only to the Department of Defense in the number of staff providing service to our citizens.

At the urging of both Congress and many veterans' service organizations, the current President endorsed the idea that the time had come for the VA to become a part of the Cabinet. It was time to give our nation's veterans their seat at this highest table of government.

Elevating the Department of Veterans Affairs to Cabinet level status provided the Department the opportunity to have greater national impact for veterans in the fields of health care, education, housing, and insurance. It was a move that cost virtually nothing in that era of tight budgets, yet gave veterans a prominent voice in the issues that dominate the national agenda.

I congratulate the Department of Veterans Affairs on a decade of growth in service to our nation's veterans, the dedicated men and women who accepted the challenge to protect their country, many of which gave the ultimate sacrifice for our freedom and liberty. I further encourage the Secretary of the Department of Veterans Affairs and his staff to continue to take full advantage of the opportunity that Cabinet-level status provides to advocate on behalf of these brave men and women.

### REFORESTATION TAX ACT OF 1999

#### HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Ms. DUNN. Mr. Speaker, I am introducing today the Reforestation Tax Act of 1999 along with 16 of my colleagues who are deeply concerned about the future of our forest products companies. With the global marketplace becoming more competitive, we must take positive steps to remove barriers to our companies' ability to compete abroad. In the case of forest products, one of the largest impediments to success is our nation's tax code.

Beginning with changes brought about by the Tax Reform Act of 1986, America has been struggling to competitively produce timber in a global market. Despite a tax system that gives U.S. forest products companies one of the highest effective tax rates in the world, they have been one of the most visionary sectors in helping to expand trade into new mar-

kets. During the recent negotiations over sectoral liberalization in the Asia Pacific Economic Cooperative forum, forest products companies worked closely with Congress and the Administration to try to develop a long-term agreement to benefit American workers. Unfortunately, this process has not come to fruition due to disagreements among competing nations, something common when we solely rely on multilateral trade agreements to increase our competitiveness. It is time to focus on what we can do unilaterally: adjust our tax code so that our companies are not disadvantaged in the global marketplace.

The Reforestation Tax Act recognizes the unique nature of timber and the overwhelming risks that accompany investment in the industry. It will reduce the capital gains paid on timber for individuals and corporations by 3 percent each year up to 50 percent. Because this reduction would apply to all companies, we minimize the current inequity whereby neighboring tracks of the same timber are taxed at different rates simply because of the business form of their investment. For timber companies, the capital gain on these forest products can be enormous. In some regions, tree farmers must wait more than 50 years from the planting of a relatively worthless seedling to the harvest of a mature tree. No other industry faces the extreme risks from wind, fire, and disease in protecting their asset over such an expansive period of time so they can realize a profit.

In addition, the Reforestation Tax Act rewards those environmentally-conscious companies that choose to use their dollars for reforestation of their lands. By extending tax credits for all reforestation expenses, and shortening the amortization period for reforestation costs, Congress encourages and assists those companies that are making a conscious effort to operate in an ecologically-sound manner.

The Reforestation Tax Act represents the best of tax, global competitiveness, and environmental policy. I urge my colleagues to support this important initiative.

### IN MEMORY OF JOSEPH PAUL DiMAGGIO

#### HON. KAREN MCCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 11, 1999

Ms. MCCARTHY of Missouri. Ms. Speaker, I rise today to honor the memory of the greatest baseball player who ever lived. Joe DiMaggio was my hero and a hero to our Nation. I am saddened by his passing, and I extend my heartfelt sympathy to his friends and family. The Yankee Clipper personified dignity and greatness. He understood the importance of having both guts and grace, and he took his responsibility as a national figure seriously.

DiMaggio and dignity are synonyms. Mr. DiMaggio viewed his position as an example to the young people of America and was always careful about the impression he made. He never lost control in public and was always conscious of his reputation and responsibility. He played every game as if it were the last